

Message Text

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43

ACTION NEA-10

INFO OCT-01 ISO-00 PM-03 NSC-05 SP-02 SS-15 RSC-01 CIAE-00

DODE-00 INR-05 NSAE-00 PA-01 USIA-06 PRS-01 EB-07

COME-00 TRSE-00 L-02 OMB-01 OPIC-03 AID-05 /068 W

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R 221324Z NOV 74

FM AMEMBASSY TEL AVIV

TO SECSTATE WASHDC 4681

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E.O. 11652: N/A

TAGS: ELAB, IS

SUBJ: COST-OF-LIVING ALLOWANCE NEGOTIATIONS

REF: TEL AVIV 6562

1. NEGOTIATIONS BETWEEN SENIOR GOVERNMENT, HISTADRUT, AND EMPLOYER REPRESENTATIVES NOV 21 FAILED TO PRODUCE AGREEMENT ON PAYMENT OF COST-OF-LIVING ALLOWANCE (COLA) DUE JANUARY 1975.

2. ALL PARTIES ESSENTIALLY REITERATED THEIR POSITIONS. FINANCE MINISTER URGED HISTADRUT TO GIVE UP THAT PART OF COLA PAYMENT ATTRIBUTED TO RECENT GOVERNMENT ECONOMIC MEASURES AND EXTEND EXISTING WAGE AGREEMENTS FOR ANOTHER YEAR; HISTADRUT GENERAL SECRETARY STOOD PAT ON FULL COLA PAYMENT DUE IN JANUARY, WITH FURTHER NEGOTIATIONS TO DETERMINE JULY COLA PAYMENT; HEAD OF EMPLOYERS ASSOCIATION PLEADED THAT ANY COLA PAYMENTS WILL NEGATE EFFECTS OF GOVERNMENT ECONOMIC MEASURES AND CAUSE UNEMPLOYMENT. NEGOTIATIONS TO REACH AGREEMENT ON COLA WILL RESUME NEXT WEEK.

3. COMMENT: ORGANIZED WORKER PRESSURE ON HISTADRUT FOR IMMEDIATE, FULL COMPENSTATION FOR PRICE INCREASES CAUSED BY GOVERNMENT ECONOMIC MEASURES HAS WANED DURING PAST WEEK.

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TWO-HOUR WORK STOPPAGES SCHEDULED FOR NOV 19 BY INDUSTRIAL

WORKERS IN TEL AVIV AREA FOR MOST PART DID NOT TAKE PLACE.
TERRORIST ATTACK ON BET SHEAN AND INCREASED TENSIONS ON
SYRIAN BORDER MAY HAVE BEEN FACTORS IN DAMPENING MOOD FOR
DEMONSTRATIONS AGAINST GOVERNMENT ECONOMIC MEASURES. MORE
IMPORTANT, PUBLIC, AFTER INITIAL SHOCK OVER SHARP PRICE
INCREASES FOR STAPLE COMMODITIES IS GRADUALLY ACCEPTING NEED
FOR CUTBACK IN LIVING STANDARDS. CONCERN OVER UNEMPLOYMENT
SHOULD ECONOMIC PROGRAM FAIL IS BEGINNING TO SINK IN. GOVERN-
MENT OFFICIALS, EMPLOYERS AND MANY ECONOMISTS HAVE WAGED PUBLIC
CAMPAIGN CLAIMING RESTRAINT IN COLA PAYMENTS ESSENTIAL TO
AVERT LARGE-SCALE UNEMPLOYMENT.
KEATING

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC PROGRAMS, RESOLUTIONS, LABOR UNIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 22 NOV 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: CollinP0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
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Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

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Review Withdrawn Fields: n/a
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